

# Caspian Sea activities shift into high gear

## Azeri-Chirag-Gunashli field development focusing on Deepwater Gunashli section

By Scott Van Velsor, Contributing Editor

**ONE MILLION BBL** a day to the Turkish port of Ceyhan from Azerbaijan is on target for 2008, BP said.

According to the company, the final phase of Azeri-Chirag-Gunashli field's development focuses on the field's Deepwater Gunashli (DWG) section. In addition to drilling 6 water injection wells, DWG pre-drilling is made up of 7 other wells – 6 producers and 1 waste injection – and is using GlobalSantaFe's Dada Gorgud, a Friede & Goldman 9500 Enhanced Pacesetter that was pulled off the East Azeri pre-drill operations in December of last year. First oil from DWG is expected in 2008.

The Azeri section of the ACG field, which contains an estimated 5.4 million bbls of recoverable oil, has 3 sections of its own – Central, West and East. According to KCA DEUTAG, the new East Azeri rig is nearing completion and will be leaving this month from an assembly yard near Baku, Azerbaijan. The platform has 48 well slots, 2 CRI injectors and can operate in up to 150 m of water. It will begin drilling operations in October.

First oil on the Central Azeri platform was achieved in February 2005, with crude being exported through a subsea pipeline to Sangachal Terminal near Baku. Lead drilling contractor KCA DEUTAG said it recently completed 3 wells there, with drilling continuing on a 5th well and on the remaining 12 pre-drilled wells.

The West Azeri facility, in 400 ft of water, is composed of a 48-slot production, drilling and quarters platform and a subsea oil pipeline tie-in to the Sangachal Terminal. According to Rune Lorentzen, KCA DEUTAG operations manager in Azerbaijan, "West Azeri has just completed tieback of 4 wells, and we are starting to drill the next well." West Azeri has been on-stream since January and is projected to eventually add 300,000 bbls a day in production capacity from the ACG field, according to BP.

Total production capacity for the entire ACG field is expected to reach a million barrels of oil per day when DWG is complete in 2008, BP said. The company is spending \$2.55 billion in capital expenditure this year on ACG activities.

Also in Azerbaijan, BP is partnering with Statoil and others to begin export of natural gas from the Shah Deniz field to western markets – mainly Europe – in the last quarter of 2006 via Georgia, Turkey and Azerbaijan, with the 960 km South Caucasus Gas Pipeline, which is expected to open the market of the Caspian exponentially.

GlobalSantaFe, in a joint venture with a local company, is in the process of drilling a 4th appraisal well on Shah Deniz called SDX-4 with the Istiglal rig, according to BP. The Friede & Goldman 9500 Enhanced Pacesetter semi is rated to drill in up to 2,300 ft of water. This exploratory well will be drilled to a total depth of more than 7,000 m, and, according to BP's communications manager Tamam Bayatly, is at 5,000 m as of June 2006 and is expected to reach TD by the end of this year.



The West Azeri facility, seen above, has just completed tieback of 4 wells and has been onstream since January. It is projected to add 300,000 bbls a day to the Azeri-Chirag-Gunashli field. On the Shah Deniz field, a 4th appraisal well is currently being drilled and is scheduled to reach TD by the end of this year.



In May, Shah Deniz's 1 trillion cu m reserves were revised by Khoshtakht Yusifzadeh, vice president of SOCAR, the State Oil Company of Azerbaijan, another partner in the project. The 4th exploratory well could increase estimates of Shah Deniz's reserves up to 2 times, according to a May news conference.

Mr Lorentzen said KCA DEUTAG began tieback operations of pre-drilled wells from the Shah Deniz platform in June, and according to Mr Bayatly, the platform should begin template drilling later this year.

There are more than 170 unexplored subsea structures in the Azerbaijan territorial sector of the Caspian, according to KCA DEUTAG. The 1,750-km BTC pipeline in Central Asia is now online, with the first lift of 600,000 bbls of crude from Turkey on 4 June. BTC is expected to provide the area with its first piped outlet for crude energy resources independent of OPEC and Russia.